
FEATURE ARTICLES

Message from Captain Thomas E. Steffen, SC, USN Deputy Commander for International Programs, Naval Inventory Control Point

I am pleased to introduce a series of articles for this issue's *DISAM Journal* that focus on the role of foreign military sales (FMS) at the Naval Inventory Control Point. FMS has played a vibrant role for the U.S. Navy, helping to forge strategic alliances throughout the world. The role of the Navy in providing support to friendly foreign military forces around the globe goes back some fifty-five years. We have gone from shipping 5,000 tents in support of President Truman's Greek-Turkish Aid Program to today's current business of providing goods and services to eighty-four countries and international organizations in the neighborhood of \$2.2 billion a year. We provide these goods and services by executing FMS cases, essentially contracts between the foreign customer and the U.S. supply system. NAVICP International Programs Directorate (Code OF) serves as the case manager for close to 1,050 FMS cases with a total case value of over \$3.5 billion. In this role, we serve as fiduciary agent to the foreign customer for use of the funds they place on the cases and as secondary support item supplier in providing the required item or part at the best price and at the right time. We process requests for these secondary support items in the neighborhood of \$415 million per year from our FMS customers.



Code OF also serves as support to the other hardware system commands who are case managers for initial weapon system sales for systems under their purview. We provide this support by developing spares packages that accompany the original delivery of the weapon system so that the FMS customer has full use of what was bought for the first three to four years of operation. We provide ongoing support by insuring accuracy of information technology tools that FMS customers and system command (SYSCOM) stakeholders use to manage their business. The overall Navy portfolio that Code OF assists in supporting resides on over 4,600 FMS cases with a total value of \$54.5 billion.

To accomplish this, we have a highly skilled and experienced staff of professionals providing the muscle that satisfies these FMS requirements. NAVICP International Programs consists of about 200 civilians and five Supply Corps officers. It has evolved over the years and is currently about a third of the size it was just ten years ago, but remains the Navy's leading change agent in the FMS arena. As I said earlier, we actively support eighty-four countries, but let me try and put that number into perspective. Within those eighty-four countries we support both the Air Force and Navy. That's 168 supply systems with eighty-four sovereign regulatory bodies! The complexity of mastering this range of customer logistics support systems, then finding ways to have each of these systems efficiently interact with the U.S. Navy's systems, within the

framework of regulatory requirements established by the U.S. and the customer countries, is the essence of our challenge.

The accompanying articles will give you a glance at the international customers whom we deal with, a look at one of our critical support functions in providing ongoing reconciliation of FMS cases, and an overview of some of the changes that we have undertaken to meet the challenges of the new century. We are also giving you a look at our business planning process, which addresses supply system changes as well as the requirements of our other SYSCOM stakeholders.

It is my hope that you will find the articles informative and interesting, but more importantly, I hope you will “feel” the enthusiasm we, at the NAVICP, have for our mission, delivering combat capability to our allies through robust logistics support. Foreign military sales is important to the national strategy, important to the U.S. Navy, and important to the allies who rely on it to maintain their combat readiness in a hostile world. More than that, it is exciting, challenging, meaningful, and ripe for change, and it is in this environment that the folks of NAVICP-OF thrive. As I depart and turn over the reins of ICP OF to Captain Doug Sweeney, I am proud to bring you their story. For more information, contact any of the authors of the articles or log onto our website at www.navicp.navy.mil/of/ofhome.html.

Thomas E. Steffen